House Inquiry Will Center On Watergate, Income Tax Returns

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WASHINGTON (AP) — The House impeachment inquiry staff reported Thursday that it is concentrating its investigation on the major Watergate allegations and President Nixon's tax problems.

The staff told the House Judiciary Committee that it is halting its inquiries into 15 of the 56 original allegations against the President.

In each of the 15 cases the staff said "either there is no substantial evidence known to the staff that supports an allegation of wrongdoing or the evidence is insufficient to justify devoting the resources required to complete a thorough investigation."

Chairman Peter W. Rodino Jr., D-N.J., emphasized that the final decision on dropping any allegation would be up to committee members.

During the 2½-hour meeting the committee also voted 34 to 4 to give the White House five more days to respond to a subpoena for tapes of 42 presidential conversations.

The White House response was put off until 10 a.m. on Tuesday.

Most of the items set aside by the staff include allegations that presidential friends and big campaign contributors received favored treatment from government agencies.

Also halted was the investigation of possible impeachable conduct in connection with the President's refusal to spend appropriated funds and his attempt to shut down the Office of Economic Opportunity without prior congressional approval.

The report said the staff is continuing its probe of allegations stemming from a $100,000

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campaign contribution from billionaire Howard Hughes, a $200,000 cash contribution from financier Robert L. Vesco, contributions from the dairy industry and a pledge from ITT to help underwrite the 1972 Republican convention.

Much of the discussion at the meeting involved the staff's plans to examine allegations that criminal fraud may have been committed in the preparation of President Nixon's income tax returns. Both the congressional Joint Committee on Internal Revenue Taxation and the Internal Revenue Service have declared that the President incorrectly claimed a $576,000 deduction for his donation to the government of his pre-presidential papers.

Both the committee and the IRS said that as a result of the disallowed deduction for the papers as well as other disallowed items the President owed more than $450,000 in additional taxes.

The impeachment inquiry staff noted that the joint committee "made no investigation whether or not there was criminal tax fraud for which the President is responsible."

Such an investigation is under way by the special Watergate prosecutor's office but the impeachment staff said it "is likely to be prolonged and its result will not be available to the committee under the committee's contemplated timetable."

John Doar, chief counsel for the impeachment inquiry, said the investigation of the President's taxes would concentrate on the gift of his papers.

But he emphasized "investigation of tax fraud is a complicated matter."

Doar said he intends to ask the IRS for a copy of its report on the President's taxes.